

# Strong Economy, But Democrats Want A New Direction?



Democratic House and Senate leaders claim the need for a new direction. With the economy and job creation strong thanks to Republican tax relief policies, what direction do they want to take the country?

*"Over the past decade, the Republican majority in Congress has taken our nation in the wrong direction... Democrats are proposing a New Direction for America."* – Nancy Pelosi

## All Indicators Point to a Strong, Growing Economy

**UP**

### **Jobs:**

Since August 2003, the economy has created more than 6.6 million jobs in 37 consecutive months of job gains, and more Americans are working today than ever before.

### **GDP:**

The economy has experienced 19 consecutive quarters of growth, expanding at an impressive annual rate of more than 4% in the first half of the year, faster than any major industrialized nation.

### **Tax Revenue:**

Federal tax revenues are surging, aided by Republican pro-growth tax policies. Tax revenues are up 11.6% to date this fiscal year, on top of last year's 14.6% increase. Federal revenues for FY 2005 totaled \$2.2 trillion – the highest level ever.

### **Dow:**

The stock market is setting record highs, increasing earning for American investors.

### **Wages:**

Real wages have increased 2.2% over the past 12 months, and average weekly earnings are up 4%, evidence that wage growth is beginning to catch up to productivity growth.

**DOWN**

### **Energy/Gas Prices:**

Gas prices have plummeted to average price of \$2.22. This is the biggest decline in energy prices since November 2005.

### **Taxes:**

Republicans cut taxes in 2001 and 2003 and last year enacted \$70 billion in extended tax relief.

### **Unemployment:**

The nation's unemployment rate is a low 4.6%.

### **Deficit:**

As a result of soaring federal tax revenues, the budget deficit has shrunk rapidly to \$248 billion in fiscal year 2006, just 1.9% of GDP, meeting our goal of cutting the deficit in half three years ahead of schedule.

### **Consumer Price Index/Inflation:**

Consumer prices fell by .5% in September led by falling energy prices. This is the biggest decline in the CPI since November 2005.

Republicans continue to work to prevent a massive Democratic-supported tax increase that would reverse the economic gains we have made and raise Americans' cost of living. If Democrats make Republican tax relief expire, the average American family would see their taxes increase 58%, or more than \$2,000, in just one year.

*"Rep. Charles B. Rangel, D-N.Y. ... vowed to put all of President Bush's 2001 and 2003 tax cuts ... on the chopping block." (Rachel Van Dongen, "Rangel Says Democrats Won't Be Going Back On Tax Pledge, As Former President Did," CQ Today, 9/26/06) Rep. Rangel is the ranking member on House Ways & Means Committee.*